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Thailand

Grain and Feed

Weekly Rice Price Update

2008

Approved by:

Corey Pickelsimer, Agricultural Attaché
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist, Maysa Kunasirrat, Agricultural Assistant

Report Highlights:

Despite the weakening Thai baht, export and domestic prices continued to increase by 2-5 percent due to an aggressive government intervention program. Despite recent increases in Thai rice prices, lower cost supplies from Vietnam and India should put downward pressure on Thai prices. Additionally, on September 9, the Rice Policy Committee will propose the 2008/09 main-crop intervention program to the Cabinet, targeting 8.0 million tons of paddy.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Sep. 8):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	820	-	-	-	810	800	-	810	800
WR 100 B	700	-	730	700	670	735	700	706	688
PB 5%	-	-	750	-	700	740	720	728	715
WR 5%	685	-	720	680	650	715	680	688	675
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	675	-	675	675
WR 35%	-	-	-	-	-	635	-	635	-
A 1 SUP	410	-	-	-	410	450	450	430	428
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 34.4 baht/U.S.\$									

Market Tone

Despite the weakening Thai baht to 34.4 baht/\$, export and domestic prices continued to increase by 2-5 percent due to limited domestic supplies resulting from the government intervention program. The Government increased its current second-crop intervention target to 3.5 million tons of paddy from the initial target of 2.5 million tons. Presently, the program has absorbed 2.5 million tons of paddy and is expected to finish in the end of September with the full 3.5 million ton of paddy. Intervention prices are currently 2,000 – 3,000 baht/ton (\$58-\$87/MT) higher than world market prices.

Despite recent increases in Thai rice prices, Vietnamese prices remain \$100-\$200/MT lower than Thai prices. Also, the Indian Government has allowed some non-basmati rice exports, which will put downward pressure on Thai prices.

In addition, on September 9, the Rice Policy Committee will propose the 2008/09 main-crop intervention program to the Cabinet, valued at over 100 billion baht (\$2.9 billion), beginning on October 16, 2008 (typically the program begins on November 1). The program will finish by February 2009 with target of 8.0 million tons of paddy. Intervention prices for white rice paddy remain unchanged from the current program prices of 14,000 baht/ton (\$407/MT). Also, intervention prices were set higher at 16,000 baht/ton (\$465/MT) for fragrant rice paddy, as compared to 9,300 baht/ton (\$270/MT) in the current year. In addition, glutinous paddy will be included in the new program with intervention prices at 9,000 baht/ton (\$262/MT), whereas glutinous rice was not included in the current program.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
JUL 6	168,072	179,923	4,671	2,679	74.3
JUL 13	171,699	177,731	4,843	2,784	73.9
JUL 20	178,180	182,513	5,021	2,877	74.5
Jul 27	182,769	175,180	5,204	2,980	74.6
Aug 3	101,488	158,534	5,305	3,062	73.3
Aug 10	122,027	146,116	5,427	3,165	71.4
Aug 17	125,268	132,888	5,553	3,254	70.6
Aug 24	155,649	126,108	5,708	3,355	70.2
Aug 31	154,550	139,373	5,863	3,442	70.4
Sept 7	131,622	141,772	5,995	3,573	67.7

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Sept 1-7, 2008 totaled 131,622 down 22,928 the previous week, and down 10,150 from the four-week moving average of 141,772 tons. Exports during Jan. 1 – Sept 7, 2008 totaled 5,994,516 tons, as compared with 3,573,047 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Sept 5, 2008, amounted to 7,773,674 tons, up 42.7 percent from 5,446,566 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Aug. 18-22, Aug. 25-29, and Sep. 1-5, 2008 are as follows:

Movement (MT)	Aug 18-22	Aug 25-29	Sept 1-5
Weekly sales	N.A.	N.A.	35,572
4 week sum	N.A.	N.A.	-
4 week mov. avg.	N.A.	N.A.	-
Total weekly sales	N.A.	N.A.	5,438,776

End of Report.